

114TH CONGRESS
1ST SESSION

H. R. 2997

To authorize the Secretary of Housing and Urban Development to carry out a demonstration program to enter into budget-neutral, performance-based contracts for energy and water conservation improvements for multifamily residential units.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2015

Mr. Ross (for himself, Mr. CLEAVER, Mr. HIMES, and Mr. DELANEY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize the Secretary of Housing and Urban Development to carry out a demonstration program to enter into budget-neutral, performance-based contracts for energy and water conservation improvements for multifamily residential units.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Private Investment in
5 Housing Act of 2015”.

1 **SEC. 2. BUDGET-NEUTRAL DEMONSTRATION PROGRAM**

2 **FOR ENERGY AND WATER CONSERVATION IM-**

3 **PROVEMENTS AT MULTIFAMILY RESIDEN-**

4 **TIAL UNITS.**

5 (a) ESTABLISHMENT.—The Secretary of Housing
6 and Urban Development (in this section referred to as the
7 “Secretary”) shall establish a demonstration program
8 under which the Secretary may execute budget-neutral,
9 performance-based agreements in fiscal years 2016
10 through 2019 that result in a reduction in energy or water
11 costs with such entities as the Secretary determines to be
12 appropriate under which the entities shall carry out
13 projects for energy or water conservation improvements at
14 not more than 20,000 residential units in multifamily
15 buildings participating in—

16 (1) the project-based rental assistance program
17 under section 8 of the United States Housing Act of
18 1937 (42 U.S.C. 1437f), other than assistance pro-
19 vided under section 8(o) of that Act;

20 (2) the supportive housing for the elderly pro-
21 gram under section 202 of the Housing Act of 1959
22 (12 U.S.C. 1701q); or

23 (3) the supportive housing for persons with dis-
24 abilities program under section 811(d)(2) of the
25 Cranston-Gonzalez National Affordable Housing Act
26 (42 U.S.C. 8013(d)(2)).

1 (b) REQUIREMENTS.—

2 (1) PAYMENTS CONTINGENT ON SAVINGS.—

3 (A) IN GENERAL.—The Secretary shall
4 provide to an entity a payment under an agree-
5 ment under this section only during applicable
6 years for which an energy or water cost savings
7 is achieved with respect to the applicable multi-
8 family portfolio of properties, as determined by
9 the Secretary, in accordance with subparagraph
10 (B).

11 (B) PAYMENT METHODOLOGY.—

12 (i) IN GENERAL.—Each agreement
13 under this section shall include a pay-for-
14 success provision that—

15 (I) shall serve as a payment
16 threshold for the term of the agree-
17 ment; and

18 (II) requires that payments shall
19 be contingent on realized cost savings
20 associated with reduced utility con-
21 sumption in the participating prop-
22 erties.

23 (ii) LIMITATIONS.—A payment made
24 by the Secretary under an agreement
25 under this section—

(I) shall be contingent on documented utility savings; and

(II) shall not exceed the utility savings achieved by the date of the payment, and not previously paid, as a result of the improvements made under the agreement.

(C) THIRD-PARTY VERIFICATION.—Savings payments made by the Secretary under this section shall be based on a measurement and verification protocol that includes at least—

(i) establishment of a weather-normalized and occupancy-normalized utility consumption baseline established pre-retrofit;

(ii) annual third-party confirmation of actual utility consumption and cost for utilities;

(iii) annual third-party validation of the tenant utility allowances in effect during the applicable year and vacancy rates for each unit type; and

(iv) annual third-party determination of savings to the Secretary.

An agreement under this section with an entity shall provide that the entity shall cover costs

1 associated with third-party verification under
2 this subparagraph.

3 (2) TERMS OF PERFORMANCE-BASED AGREEMENTS.—A performance-based agreement under this
4 section shall include—

5 (A) the period that the agreement will be
6 in effect and during which payments may be
7 made, which may not be longer than 12 years;

8 (B) the performance measures that will
9 serve as payment thresholds during the term of
10 the agreement;

11 (C) an audit protocol for the properties
12 covered by the agreement;

13 (D) a requirement that payments shall be
14 contingent on realized cost savings associated
15 with reduced utility consumption in the participating
16 properties; and

17 (E) such other requirements and terms as
18 determined to be appropriate by the Secretary.

19 (3) ENTITY ELIGIBILITY.—The Secretary
20 shall—

21 (A) establish a competitive process for entering into agreements under this section; and

(B) enter into such agreements only with entities that, either jointly or individually, demonstrate significant experience relating to—

(i) financing or operating properties receiving assistance under a program identified in subsection (a);

(ii) oversight of energy or water conservation programs, including oversight of contractors; and

(iii) raising capital for energy or water conservation improvements from charitable organizations or private investors.

(4) GEOGRAPHICAL DIVERSITY.—Each agreement entered into under this section shall provide for the inclusion of properties with the greatest feasible regional and State variance.

(5) PROPERTIES.—A property may only be included in the demonstration under this section only if the property is subject to affordability restrictions for at least 15 years after the date of the completion of any conservation improvements made to the property under the demonstration program. Such restrictions may be made through an extended affordability agreement for the property under a new housing as-

1 sistance payments contract with the Secretary of
2 Housing and Urban Development or through an en-
3 forceable covenant with the owner of the property.

4 (c) PLAN AND REPORTS.—

5 (1) PLAN.—Not later than 90 days after the
6 date of enactment of this Act, the Secretary shall
7 submit to the Committees on Appropriations and Fi-
8 nancial Services of the House of Representatives and
9 the Committees on Appropriations and Banking,
10 Housing, and Urban Affairs of the Senate a detailed
11 plan for the implementation of this section.

12 (2) REPORTS.—Not later than 1 year after the
13 date of enactment of this Act, and annually there-
14 after, the Secretary shall—

15 (A) conduct an evaluation of the program
16 under this section; and
17 (B) submit to Congress a report describing
18 each evaluation conducted under subparagraph
19 (A).

20 (d) FUNDING.—For each fiscal year during which an
21 agreement under this section is in effect, the Secretary
22 may use to carry out this section any funds appropriated
23 to the Secretary for the renewal of contracts under a pro-
24 gram described in subsection (a).

